

ASSEMBLY BILL

No. 700

Introduced by Assembly Members Gomez and Levine

February 25, 2015

An act to add Section 84503.1 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 700, as introduced, Gomez. Political Reform Act of 1974: advertisement disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes.

This bill would impose new disclosure statement requirements for political advertisements regarding a ballot measure paid for by specified committees that are radio advertisements, prerecorded telephonic messages, or television or video advertisements that would require the identification of identifiable contributors, as defined.

This bill would also state the intent of the Legislature to enact legislation that would implement a California Disclose Act, with provisions similar to a specified bill from the 2013–14 Regular Session of the Legislature.

Because a violation of the act is punishable as a misdemeanor, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Ever-increasing amounts of funds are raised and spent in
4 support of and opposition to state and local ballot measures,
5 especially in the form of advertisements. The outcomes of such
6 elections are disproportionately impacted by campaign expenditures
7 in support of and opposition to those measures.

8 (b) Ever-increasing amounts of funds are spent on campaigns
9 by persons who do one or more of the following:

10 (1) Frequently use their wealth to fund local and state ballot
11 measures designed to advance their own economic interests.

12 (2) Increasingly avoid having their identities disclosed in
13 election-related advertisements by channeling funds through one
14 or more persons before those funds are received by a committee,
15 thereby undermining the purpose and intent of laws requiring
16 disclosure on such advertisements.

17 (3) Spend extraordinary amounts of money running
18 election-related advertisements while hiding behind dubious and
19 misleading names, including, but not limited to, advertisements
20 by primarily formed committees and general purpose committees.

21 (4) Increasingly evade disclosure by funding advertisements
22 designed to persuade voters without expressly advocating support
23 or opposition.

1 (c) The activities described in subdivision (b) cause the public
2 to become increasingly disaffected with the democratic process,
3 discouraging participation in elections and coloring public
4 perceptions of the legitimacy and integrity of state and local
5 government.

6 (d) The people of California and their government officials have
7 a compelling interest in knowing the true and original source of
8 committee funding and receiving clear information identifying the
9 largest original contributors responsible for political advertisements
10 funded by such committees.

11 (e) The disclosure of original contributors on advertisements
12 serves the following important governmental and societal purposes:

13 (1) Providing the people and government officials current and
14 easily accessible information regarding who is funding
15 advertisements that are intended to influence their votes on ballot
16 measures.

17 (2) Enabling the people and government officials to identify
18 potential bias in advertisements to assist them in making more
19 informed decisions and giving proper weight to different speakers
20 and messages.

21 (3) Deterring actual corruption and avoiding the appearance of
22 corruption by providing increased transparency of contributions
23 and expenditures.

24 (4) Improving the people's confidence in the democratic process
25 and increasing their motivation to actively participate in that
26 process by regular voting and other forms of civic engagement.

27 (5) Promoting compliance with and detecting violations of the
28 Political Reform Act of 1974 (Title 9 (commencing with Section
29 81000) of the Government Code), while also addressing the
30 problems and advancing the state interests described in that act.

31 SEC. 2. It is the intent of the Legislature to enact legislation
32 that would implement a California Disclose Act consistent with
33 the provisions of Senate Bill 52 of the 2013–14 Regular Session
34 of the Legislature.

35 SEC. 3. Section 84503.1 is added to the Government Code, to
36 read:

37 84503.1. (a) For purposes of this section, “identifiable
38 contributor” means a person that is the original source of funds
39 for contributions received by a committee that cumulatively total
40 fifty thousand dollars (\$50,000) or more, notwithstanding the fact

1 that the contributions were transferred, in whole or in part, through
2 one or more other committees or persons.

3 (b) A committee that is a candidate controlled committee as
4 defined in Section 82016 or a political party committee as defined
5 in Section 85205 is not subject to the disclosure statement
6 requirements of this section.

7 (c) An advertisement regarding a ballot measure that is a radio
8 advertisement or prerecorded telephonic message shall include a
9 disclosure statement at the beginning or end of the advertisement
10 read in a clearly spoken manner and in a pitch and tone
11 substantially similar to the rest of the advertisement that reads as
12 follows: “This ad has major funding from [state names in
13 descending order of identifiable contributors who have made the
14 two largest cumulative contributions to the committee that paid
15 for the advertisement]. Paid for by [name of the committee that
16 paid for the advertisement].”

17 (d) An advertisement regarding a ballot measure that is a
18 television or video advertisement shall include a disclosure area
19 with a solid black background on the entire bottom one-third of
20 the television or video display screen at the beginning or end of
21 the advertisement for a minimum of five seconds in the case of an
22 advertisement that lasts 30 seconds or less or a minimum of 10
23 seconds in the case of an advertisement that lasts longer than 30
24 seconds. The disclosure area shall include the following text: “Paid
25 for by [name of the committee that paid for the advertisement].
26 This ad has major funding from [state names in descending order
27 of identifiable contributors who have made the three largest
28 cumulative contributions to the committee that paid for the
29 advertisement].” The text shall be in a contrasting color in Arial
30 Narrow equivalent font, and the type size shall be at least 4 percent
31 of the height of the television or video display screen and shall be
32 centered horizontally.

33 (e) The requirements of this section are in addition to any other
34 requirements imposed by this article.

35 SEC. 4. No reimbursement is required by this act pursuant to
36 Section 6 of Article XIII B of the California Constitution because
37 the only costs that may be incurred by a local agency or school
38 district will be incurred because this act creates a new crime or
39 infraction, eliminates a crime or infraction, or changes the penalty
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within
2 the meaning of Section 6 of Article XIII B of the California
3 Constitution.

4 SEC. 5. The Legislature finds and declares that this bill furthers
5 the purposes of the Political Reform Act of 1974 within the
6 meaning of subdivision (a) of Section 81012 of the Government
7 Code.

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